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Marin County, California

Spectrum reels from critical audit

Spending issues bring gay aid group under fire

By Mike McIntyre

Independent Journal reporter

When Amira Jones-Fletcher returned to work one night in March and searched filing cabinets at Spectrum Center for Lesbian, Gay and Bisexual Concerns, she opened a Pandora's box for the San Anselmo nonprofit agency.

Jones-Fletcher, then head of Spectrum's HIV wellness program, said she found records that showed top Spectrum staffers were reimbursed for expenses unrelated to business. The expenses included personal lunches, flowers, clothes and sexual aids, she said. She delivered the documents to the Marin Community Foundation and the county Office of AIDS — two of Spectrum's bigger funders — alleging there was evidence of misuse of public funds.

"It was a money tree," said Jones-Fletcher, who had acted as an anonymous whistle-blower. "Shake it and get the money."

The documents raised enough questions for the Marin Community Foundation to request and pay for the largest audit in Spectrum's 12-year history, a move welcomed by Spectrum's board of directors.

The audit, concluded in May, found many faults with Marin's only social services agency for the gay community: Spectrum had failed to properly report employee earnings to state and federal authorities. Workers did not keep time cards. The agency had hired an illegal immigrant. There were numerous questionable cash disbursements. And expenses for business meetings consistently lacked sufficient documentation.

But the audit found nothing illegal.

Spectrum called the audit results a vindication. It saw the findings as an opportunity to update the agency's accounting procedures. But by then, much damage had been done.

The original allegations spooked Spectrum funders. More than $160,000 in grants — about one

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"It was a money tree. Shake it and get the money."

— Amira Jones-Fletcher, former Spectrum employer

Spectrum

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third of Spectrum's budget — were suspended. As a result, Spectrum had to cut three AIDS programs and lay off two employees, including Jones-Fletcher. In addition, private contributions dropped 19 percent.

"We are barely able to function," said Spectrum board chairwoman Barbara Zoloth.

The agency is now without the services of its executive director, Veneita Porter, who was forced to resign last week by the Spectrum board. A Spectrum press release said the move was unrelated to the audit.

The allegations could not have come at a worse time for Spectrum. The agency has struggled since the departure last year of its popular executive director, the Rev. Jane Spahr, who founded the organization in 1982 as the Ministry of Light.

In March, the Rev. Dave Martin quit after seven years as director of Spectrum's AIDS Interfaith Ministry, citing a shift in emphasis at the agency from the religious to the political.

Spectrum has also lost six board members in recent months, several due to philosophical differences over the direction of the agency. One board member who quit, Al Bousquet, alleged that Spectrum staffers work 35 hours a week and get paid for 40. Spectrum denied the charge.

Many observers both in and out of the gay community now look on the agency with suspicion and confusion.

"Spectrum has lost credibility and respect in the gay community," said Jane Futcher, co-founder of the gay newspaper The Slant. "It's definitely bad, but it's not life and death."

As Spectrum has grown, it has tried to expand its role in the gay community. As a result, some say, the agency is now all over the map.

Spiritual or secular?

"It kind of reminds you of Clinton's health plan," said Geoff Sackett, co-chair of the Marin AIDS Advisory Commission. "To be polite, they are ignorant of the process they used to get where they are. Ever since Janie Spahr left, there's been a lot of ambivalence as to whether they are spiritual or secular. You don't go from one to the other every month and remain a strong agency."

Spahr, a former San Anselmo resident, is a lesbian Presbyterian minister who made national headlines when she was hired by a Rochester, N.Y., congregation only to be stripped of the the post by national church leadership.

Spectrum officials said the criticism is nothing new.

"They've always said that," said programs manager Lea Brown. "We operate in two spheres — the spiritual and the secular. It's hard to maintain that balance."

Spectrum admits that the audit pointed out serious problems. But officials don't want the public to forget the positive contributions the agency makes to the gay community. Spectrum, which serves 5,000 clients each year, still has 11 funded and functioning programs.

Spectrum provides services for seniors, youth, parents and others through programs directed toward helping gays, lesbians and bisexuals.

"Every agency has growing pains as it positions itself to serve larger numbers of people," said Jeff Golden, who developed Spectrum's seniors program. "What I see is an organization that is really on the threshold of breaking through to serve the entire lesbian, gay and bisexual community."

Doesn't look good

As Spectrum takes heart in the knowledge that the audit revealed no criminal wrongdoing, other officials say the real problem was one of appearances. Nonprofits serving a needy community simply don't spend public money on flowers and gifts.

"It looks bad," said Jon Dean Green, director of the county Office of AIDS, which yanked a $42,440 education contract from Spectrum. "We were very unhappy over their lack of control of cash disbursements. Whenever you accept public money, you have to accept certain rules and regulations."

Green said that after Jones-Fletcher's allegations, the county inspected Spectrum's books for fiscal improprieties. But Spectrum's record keeping was so poor, he said, a conclusion could not be reached without a full-scale audit.

The audit found serious deficiencies in employee compensation records. In one instance, Lea Brown was paid $2,800 in addition to her salary, and no employer or employee payroll taxes were withheld. The money was paid in 10 checks written by, made out to, and signed by Brown. Auditors found documentation to support the services performed for only one of the 10 checks.

Brown said office policies at the time did not require such documentation. She said she was contracted by Spectrum as a consultant to work on the agency's annual fund-raiser. She signed her own checks, she said, because part of her job at the time as office manager required her to handle the agency's money.

"I have given 5,000 percent of myself," said Brown, who said she worked numerous uncompensated hours beyond those she was paid for. "I've never done anything here I'm ashamed of."

The audit also raised questions about a paid three-month leave granted to Spectrum's associate director, Sherrie Holmes. Holmes claimed she had worked the equivalent of three months of overtime. The audit found that there was no previous written agreement regarding excess hours worked.

"That's true," said Holmes. "But there was always an unwritten expectation that comp time could be taken."

Supporters rally

Despite Spectrum's stumbles, there is a tendency in the gay community to look charitably on the agency and root for its recovery.

"If it looks bad, the rest of us look embarrassed as well," said Bob Harmon, author of Marin's domestic partner ordinance. Enacted last year, the ordinance allows unmarried couples — including gays — to register with the county. "I think if the community rallies around them in the next two months, they'll do OK."

And at least one former employee is wishing Spectrum well.

"I don't want to minimize any wrongdoing," said the Rev. Dave Martin, who now heads the Marin AIDS Interfaith Network. "But I hope this doesn't just crumble an organization that still is capable of providing services for the lesbian and gay community."

Spectrum's next task is to regain the confidence of its funders. The Marin Community Foundation — which has granted Spectrum more than $600,000 in the last nine years — suspended its funding of the agency in the wake of the allegations. The foundation will act on a pending Spectrum grant proposal this fall.

"We are supporting Spectrum's efforts to remedy the problems," said Art Mills, the foundation's program officer for religion and environment. "We want to see the organization rebuild itself and carry on."

Hone the mission

The Marin Community Foundation was established in 1986 to administer the Buck Trust. It is the third largest foundation in the U.S., with assets of more than $500 million.

The foundation does not comment on proposals. But one Spectrum official said the foundation would like to see Spectrum narrow its mission.

"Their concern is that we're too broad-minded," said Spectrum board member Larry Stern. "We're trying to help everyone."

There is also a wide belief that Spectrum's success will depend on a dramatic change from the tone set by their most recent leader. While many praised Veneita Porter's skills and intelligence, her aggressive style ultimately alienated many of Spectrum's supporters.

Porter did not return phone messages left at her San Francisco home.

"I think Spectrum will learn a lot from what it's just been through, and I think it will recover," said Gail Theller, the head of Community Action Marin, which has acted as intermediary in certain federal funding to Spectrum.

"It would appear that gay and lesbian organizations in Marin need to reflect the culture of Marin and not of San Francisco or other large areas," Theller added. "Marin is relatively liberal and accepting. But an in-your-face approach is not appreciated in Marin County. The urban way of solving problems just doesn't work here."

Auditors find some questionable transactions

By Mike McIntyre

Independent Journal reporter

A financial audit of Spectrum for 1993 and part of 1994 found nothing illegal but revealed many questionable cash disbursements. "Documentation ... was either missing, inaccurate or unusual," said the accounting firm of Perotti and Cerrade of Larkspur. Among the findings, with explanations from former and current Spectrum employees:

■ A Spectrum credit card account in the name of former executive director Veneita Porter showed payments of $15.51 to Shell for gas, $22.91 to Shell for a car wash, and $32.14 to Kragen for auto seat cushions. Spectrum also reimbursed Porter $20 for a book of Golden Gate Bridge toll coupons. Porter, who lives in San Francisco, said the expenses related to her transportation of board members to board meetings.

■ Porter was reimbursed $179 for "sexual aids." She said the items were used for AIDS education.

■ Porter was reimbursed $79 for clothing. She said she purchased the clothes for a man who was dying of AIDS.

■ Two checks totaling $404 to reimburse Porter for legitimate business expenses were made out to parties to whom she owed money rather than to herself.

■ The Spectrum board approved a $144 bed & breakfast gift certificate bought for associate director Sherrie Holmes for past service. Spectrum also bought $88 worth of flowers for Holmes and a volunteer for their work on a grant proposal. Board chairwoman Barbara Zoloth said the gifts may have been examples of "poor judgment."

■ Holmes was reimbursed $90 for two books, See's candies and other gifts bought with no records of business purposes. Holmes does not recall the exact items in question, but said it was common for Spectrum to thank volunteers with "small gifts."

■ Programs manager Lea Brown was paid $150 for travel expenses not supported by receipts. Brown said she lost the receipts for a business trip she made to Los Angeles.

■ Brown was reimbursed $200 for holiday party events, $48 more than supporting receipts. Brown said she had disbursed the cash to another Spectrum associate who had made the party purchases. "It was out of my control."

■ A $63.68 reimbursement to the Rev. Dave Martin, former director of Spectrum's AIDS Interfaith Ministry, was charged to rent expense and documented on the expense reimbursement request as, "Moving expenses: $50 cash — Rolando; $13.68 lunch." Martin said the money was used to hire a man to move Spectrum office equipment and buy the man lunch.

■ Former executive director the Rev. Jane Spahr authorized a $176 petty cash reimbursement containing a note that read, "$50 discretionary loan — charge to office supplies." Spahr did not return phone calls.

■ About $3,500 in meeting expenses for 1993 lacked sufficient documentation.

As a result of the audit, Spectrum canceled the agency's credit cards and tightened its accounting procedures.

"Image is vitally important," Zoloth said. "We're not going to make those same mistakes again, if mistakes were made."